

April 22, 2021

Disaster Resilience Investments: Community Development Block Grant Authorities for Mitigation (CDBG-MIT)

In response to disasters, Congress has provided supplemental appropriations under Department of Housing and Urban Development (HUD) Community Development Block Grant (CDBG) authorities that include funding for long-term disaster recovery, or CDBG-DR. In some recent cases, these investments have included targeted funding for mitigating future disaster risks, or CDBG-MIT. This In Focus considers CDBG-MIT's background, purpose, and structure, as well as policy considerations for Congress.

Authorities Under CDBG

CDBG is a flagship community and economic development program that was established primarily to address housing, infrastructure, and community development needs, with a special emphasis on addressing the needs of low- and moderate-income persons. CDBG funds are relatively flexible, and may be utilized for a variety of purposes provided that the activities meet one of three national objectives: (1) to principally benefit low- and moderate-income (LMI) persons (which must represent 70% of funds); (2) to aid in the prevention or elimination of slums or blight; or (3) to address an urgent need for the purposes of health or safety.

In the past two decades, Congress has increasingly provided supplemental appropriations for disaster recovery through CDBG authorities, now known as CDBG-DR. When appropriating CDBG-DR funds, Congress utilizes CDBG authorities to create one or more temporary programs to respond to the unique circumstances, geographies, and policy issues of the disaster.

CDBG-DR is not a permanently authorized program. As such, its requirements are largely dependent on the specific CDBG-DR appropriation, HUD's allocations, rulemaking that governs its use, and grantees' action plans. However, because CDBG-DR activities are based on CDBG authorities, grantees are expected to generally comport with the CDBG national objectives—though exact requirements may vary depending on the CDBG-DR appropriation. Resilience-building activities are generally eligible under CDBG-DR appropriations, and in recent years HUD has allocated funding specifically for such purposes.

CDBG-MIT: Origins and Features

As part of CDBG-DR allocations in response to Hurricane Sandy, HUD launched the Rebuild by Design (RBD) competition in 2013 to promote hazard mitigation—rebuilding to include resilience to future weather or climate events. RBD represented an early HUD effort to integrate resilience as part of CDBG-DR investments.

In February 2018, P.L. 115-123 appropriated \$12 billion of CDBG-DR funding for hazard mitigation activities in response to qualifying disasters in 2015, 2016, and 2017. This allotment of funds is known as CDBG-MIT. HUD further allocated \$3.9 billion, bringing total CDBG-MIT funding to approximately \$15.9 billion. Of that amount, approximately \$6.9 billion was allocated in 2019 to support mitigation activities among CDBG-DR grantees that had experienced presidentially declared disasters from 2015 through 2017.

A majority of the total CDBG-MIT funding was allocated in response to the 2017 hurricanes, with \$774 million directed for CDBG-MIT activities in the U.S. Virgin Islands and \$8.3 billion for CDBG-MIT activities in the Commonwealth of Puerto Rico. These tranches of CDBG-MIT funding are governed by guidance within multiple Federal Register Notices (FRNs).

Mitigation as Resilience

The 2019 FRN allocating \$6.9 billion of CDBG-MIT defines mitigation as “activities that increase resilience to disasters and reduce or eliminate the long-term risk of loss of life, injury, damage to and loss of property, and suffering and hardship, by lessening the impact of future disasters.” In addition, the 2019 FRN specifies that eligible CDBG-MIT activities must (1) meet the definition of mitigation activities; (2) address “current and future risks” identified in a Mitigation Needs Assessment; (3) be eligible activities under the conventional CDBG program, or be able to secure a waiver; and (4) meet one of the three CDBG national objectives.

The Mitigation Needs Assessment (MNA) cited in the 2019 FRN is intended to identify and analyze “all significant future disaster risks and provides a substantive basis for the activities proposed.” The grantee must develop its MNA in consultation with other jurisdictions, the private sector, and government agencies as relevant, including state and local emergency management agencies with primary responsibility for administering Federal Emergency Management Agency (FEMA) mitigation funds. This is intended to ensure coordination with other sources of mitigation funding and guidance, including those from FEMA, the U.S. Army Corps of Engineers, and the U.S. Forest Service. As such, the FRN also requires that grantees “use the most recent risk assessment completed or currently being updated through [FEMA Hazard Mitigation Assistance (HMA)] to inform the use of CDBG-MIT funds.”

The CDBG-MIT Framework

Broadly, the 2019 FRN requires grantees to utilize the MNA process to inform the use of CDBG-MIT funding. For example, the MNA assesses resilience risks in seven service areas: (1) safety and security; (2) communications; (3) food, water, and sheltering; (4) transportation; (5) health and medical; (6) hazardous material; and (7) energy (power and fuel). In addition, the 2019 FRN lays out a number of specific determinations of resilience, including:

- Long-term planning considerations, informed by the MNA as well as through the “development and enforcement of building codes and standards, vertical flood elevation protection, and revised land use and zoning policies.”
- Construction standards, to “emphasize quality, durability, energy efficiency, sustainability, and mold resistance, as applicable”; a consideration of Green Building Standards; advanced elevation requirements; and, as applicable, addressing flood risks.
- Building code and hazard mitigation planning, where grantees are encouraged to use CDBG-MIT funding for “building code development and implementation, land use planning and/or hazard mitigation planning activities.”

The 2019 FRN also includes more specific requirements for encouraging “green” building standards for the replacement and new construction of residential housing; flood insurance; elevation of nonresidential structures; and requirements for flood control structures, among others.

Despite the FRN’s various requirements for resilience-building activities, it broadly represents a framework rather than a suite of prescriptions. The types of resilience-building activities actually performed are highly dependent on the action plans of the grantees. As is the case with most other forms of CDBG funding, significant discretion is provided to the grantee in the use of those funds. In addition, the MNA and action plan process provides the grantee with the means of tailoring CDBG-MIT funds to its perceptions of risk, and the means by which to address them. For example, CDBG-MIT “encourages” the use of green building standards, and even specifies examples of such standards, but it does not necessarily require them.

Other Resilience Investments in CDBG-DR

Non-mitigation CDBG-DR funding may also be used for resilience investments. Although the requirements and overall guidance for specific CDBG-DR allocations may differ considerably between supplemental appropriations (and, sometimes, even among the various allocations themselves), recent CDBG-DR allocations have permitted resilience-building activities (“mitigation”) as an allowable use, and to some degree include resilience standards—though they cannot duplicate CDBG-MIT activities, if relevant.

The CDBG-DR allocation for U.S. states affected by 2015, 2016, and 2017 disasters, for example, explicitly cites mitigation in the FRN: “[G]rantees may include disaster

related preparedness and mitigation measures as part of assisted activities.” In addition, the same FRN addresses resilience by requiring grantees to “address long-term recovery and hazard mitigation planning” in their action plans, including the use of “sound, sustainable long-term recovery planning informed by a post-disaster evaluation of hazard risk.” It also includes elevation requirements, local/regional coordination of recovery and mitigation planning, and mitigation measures in infrastructure development.

CDBG-DR, being a variant of HUD’s flagship CDBG program, is derived from that program’s structure and community development purpose. Those include the national objectives, as well as the classes of eligible activities as specified in statute. The statute specifies eligible activities that could either potentially or explicitly build resilience, such as energy efficiency, energy conservation, energy resources, conservation of open spaces and natural resources, environmental cleanup, and brownfields projects. Given these flexibilities, the conventional CDBG program is also sometimes used as a mechanism for resilience investments, to the extent that they are consistent with a grantee’s consolidated plan.

Policy Considerations

CDBG-MIT, like CDBG-DR, is not a standing program, and only available through supplemental appropriations. However, it represents a major monetary investment in post-disaster hazard mitigation and resilience-building compared to other programs. Congress may consider policy options in evaluating CDBG-MIT’s purpose and long-term efficacy—particularly in light of growing congressional interest in weather and climate adaptation issues.

CDBG-MIT could be permanently authorized—as part of, or separately from, CDBG-DR—as a standing program for post-disaster resilience investments. Alternatively, CDBG-MIT could be employed regularly as part of future CDBG-DR appropriations. Congress may also consider a parallel approach, where a new standing (competitive or non-competitive) program funds pre-hazard resilience projects—such as making pre-disaster mitigation a fourth CDBG national objective with increased funding—alongside CDBG-MIT within CDBG-DR appropriations.

Additional Reading

For additional information on the CDBG program, see CRS Report R43520, *Community Development Block Grants and Related Programs: A Primer*, by Joseph V. Jaroscak.

On CDBG-DR, see CRS Report R46475, *The Community Development Block Grant’s Disaster Recovery (CDBG-DR) Component: Background and Issues*, by Michael H. Cecire and Joseph V. Jaroscak.

On FEMA hazard mitigation, see CRS Insight IN11187, *Federal Emergency Management Agency (FEMA) Hazard Mitigation Assistance*, by Diane P. Horn.

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